

March 11, 2014

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

ADOPTEDBOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

14 March 11, 2014


SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Supervisors:

**MUSEUM OF ART: TRANSFER OF ART REPLACEMENT OBJECTS FUND BALANCE
(THIRD DISTRICT, 3 VOTES)**

SUBJECT:

The department requests that the fund balance in the Art Replacement Objects Fund be transferred to Museum Associates to streamline accounting and collections management functions.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Auditor-Controller to remit the fund balance from the Art Replacement Objects Fund (S20) to Museum Associates.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTION:

The fund balance in the Art Replacement Objects fund consists of monies earned from the sale of county-purchased artworks. According to general Museum practice, funds received from the sale of artwork can only be spent to purchase other artwork. Museum Associates has many such "deaccession" funds that it uses for the sole purpose of acquiring new art. We request a transfer of the Art Replacement Objects fund balance to Museum Associates. The transfer will streamline the accounting and collections management functions. The fund balance will be placed in a unique fund, segregated from other Museum Associates acquisition funds, and will be used to purchase new county-owned artwork, to upgrade the Museum of Art's permanent collection. As of December 31, 2013, the Art Replacement Objects fund balance was \$16,408.

IMPLEMENTATION OF STRATEGIC PLAN GOALS:

The recommended action supports Countywide Strategic Plan Goal Number 1, Operational Effectiveness, Strategies 1 and 2, by streamlining accounting operations. Further, the action supports the County's Goal 3, Community and Municipal Services, Strategy 1.a. by supporting collections management activities of the department.

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FISCAL IMPACT/ FINANCING:

None. The funds are restricted to use by the Museum of Art for the purposes of Art acquisition.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

Museum Associates is authorized to operate and manage the Museum of Art pursuant to Chapter 2.92.020 of the County Code and certain contracts entered into between the County of Los Angeles and Museum Associates.

Section 5120 of the Public Resources Code allows your Board to exercise any power necessary and proper to promote the objects and purposes of the Museum.

The Auditor-Controller agrees with this request, contingent on your Board's approval.

CONTRACTING PROCESS:

Not Applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Will streamline accounting practices.

CONCLUSION:

Upon approval, instruct the Auditor-Controller to issue payment via wire transfer.

Respectfully submitted,

A handwritten signature in blue ink that reads "Michael Govan" followed by a stylized flourish.

Michael Govan
Director

MG:AR:am

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller
Museum Associates